



# GLORY MARK HI-TECH (HOLDINGS) LIMITED

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

Stock Code: 8159



THIRD QUARTERLY REPORT

**2020**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

*GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.*

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of the GLORY MARK HI-TECH (HOLDINGS) LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

**THIRD QUARTERLY RESULTS**

The board of Directors (the “**Board**”) is pleased to present the unaudited condensed consolidated financial statements of the Group for the three months (the “**Third Quarter**”) and nine months (the “**Nine-month Period**”) ended 30 September 2020 (collectively the “**Periods**”) together with the comparative unaudited figures for the corresponding periods in 2019 (the “**Corresponding Previous Period**”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME — UNAUDITED**

*For the three months and nine months ended 30 September 2020*

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	3	75,683	83,252	232,406	261,968
Cost of sales and services rendered		(66,064)	(70,719)	(191,672)	(222,494)
Gross profit		9,619	12,533	40,734	39,474
Other income		880	895	2,767	3,368
Other gains and losses		(292)	—	(1,185)	—
Share of profit of joint ventures		614	728	1,151	1,503
Selling and distribution expenses		(2,259)	(2,079)	(5,536)	(7,158)
Administrative expenses		(9,583)	(9,443)	(31,872)	(27,158)
(Loss)/profit before taxation	5	(1,021)	2,634	6,059	10,029
Income tax expenses	6	(1,220)	(1,010)	(2,396)	(2,947)
(Loss)/profit for the period		(2,241)	1,624	3,663	7,082
<b>Other comprehensive income/(expense) for the period:</b>					
Exchange differences arising from translation of foreign operations		475	(464)	401	(770)
Total comprehensive (expense)/income for the period		(1,766)	1,160	4,064	6,312
(Loss)/profit for the period attributable to:					
— Owners of the Company		(2,201)	1,716	4,110	7,261
— Non-controlling interests		(40)	(92)	(447)	(179)
		(2,241)	1,624	3,663	7,082
Total comprehensive (expense)/income attributable to:					
— Owners of the Company		(1,726)	1,252	4,511	6,491
— Non-controlling interests		(40)	(92)	(447)	(179)
		(1,766)	1,160	4,064	6,312
(Loss)/earnings per share					
Basic	8	HK(0.31) cents	(Re-presented) HK0.26 cents	HK0.61 cents	(Re-presented) HK1.12 cents

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the nine months ended 30 September 2020*

	Share Capital	Share Premium	Merger Reserve	Translation Reserve	Retained Profits	Total	Non- controlling Interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Note i)	(Note ii)					
At 1 January 2019	6,400	—	680	10,751	102,209	120,040	440	120,480
Profit for the period	—	—	—	—	7,261	7,261	(179)	7,082
Other comprehensive (expense) for the period	—	—	—	(770)	—	(770)	—	(770)
Total comprehensive income/ (expense) for the period	—	—	—	(770)	7,261	6,491	(179)	6,312
Dividend recognized as distribution	—	—	—	—	(1,920)	(1,920)	—	(1,920)
At 30 September 2019	6,400	—	680	9,981	107,550	124,611	261	124,872
At 1 January 2020	6,400	—	680	9,993	112,544	129,617	55	129,672
Profit for the period	—	—	—	—	4,110	4,110	(447)	3,663
Other comprehensive income for the period	—	—	—	401	—	401	—	401
Total comprehensive income/(expense) for the period	—	—	—	401	4,110	4,511	(447)	4,064
Issue of new shares (Note i)	640	5,438	—	—	—	6,078	—	6,078
At 30 September 2020	7,040	5,438	680	10,394	116,654	140,206	(392)	139,814

*Notes:*

- i. On 3 June 2020, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent placed 64,000,000 placing shares at the placing price of HK\$0.1 per placing share to certain independent places. The net proceeds from the subscription, net of related issued costs and expenses, will be used for general working capital of the Group.
- ii. The merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition under the group reorganisation in 2001.

Notes:

### 1. GENERAL AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands and continued in Bermuda with limited liability. The shares of the Company (the “**Shares**”) were listed on GEM of the Exchange on 4 January 2002. The addresses of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business in Hong Kong is at Room 1033, 10/F., Central Building, 1-3 Pedder Street, Central, Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). The functional currency of the Company is United States dollars (“**USD**”). As the Company is listed in Hong Kong, the Directors consider that it is appropriate to present the consolidated financial statements in HK\$.

The Company acts as an investment holding company.

The unaudited condensed consolidated financial statements for the Nine-month Period have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and accounting principles generally accepted in Hong Kong.

### 2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the Nine-month Period have been prepared under the historical cost convention except for investment properties, which are measured at fair value. The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2019 (“**the 2019 Financial Statements**”).

### 3. REVENUE

#### *Sales of connectivity products*

Revenue represents the amounts received and receivable, net of discounts and returns, from the sales of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronics products, communication products, automobile electronics accessories, wire harness and medical equipment and subcontracting service rendered during the period under review.

**Provision of comprehensive architectural services**

Where the outcome of a contract of comprehensive architectural services can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims, and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**4. SEGMENT INFORMATION**

The Group determines its operating segments based on the reports regularly reviewed by the executive Directors, who are the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance.

Segment information reported internally for the purposes of resources allocation and performance assessment is analysed based on the class of customers which is the same as information reported to the chief operating decision makers. The Group is currently engaged in the sales of connectivity products to three classes of customers, namely, original equipment manufacturer customers (“**OEM customers**”), retail distributors and provision of comprehensive architectural services (master-planning and general design).

The Group’s operating segments under HKFRS 8 are as follows:

**Business segments**

	Three months ended 30 September				Nine months ended 30 September			
	2020		2019		2020		2019	
	<i>HKS’000</i>	%	<i>HKS’000</i>	%	<i>HKS’000</i>	%	<i>HKS’000</i>	%
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
OEM customers	44,559	58.9%	48,431	58.2%	121,773	52.4%	141,315	53.9%
Retail distributors	22,103	29.2%	24,807	29.8%	86,976	37.4%	76,975	29.4%
Provision of comprehensive architectural services	9,021	11.9%	10,014	12.0%	23,657	10.2%	43,678	16.7%
	<b>75,683</b>	<b>100.0%</b>	<b>83,252</b>	<b>100.0%</b>	<b>232,406</b>	<b>100.0%</b>	<b>261,968</b>	<b>100.0%</b>

**Geographical segments**

Sales analysis by geographical customer market:

	Three months ended 30 September				Nine months ended 30 September			
	2020		2019		2020		2019	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Korea	24,685	32.6%	31,000	37.2%	54,564	23.5%	75,904	29.0%
The United States	18,396	24.3%	18,672	22.4%	64,536	27.8%	50,930	19.4%
Japan	13,073	17.3%	10,250	12.3%	49,968	21.5%	51,886	19.8%
The People's Republic of China (the "PRC")	12,004	15.9%	10,700	12.9%	31,212	13.4%	45,550	17.4%
Taiwan	4,075	5.4%	9,583	11.5%	18,573	8.0%	27,128	10.4%
Others	3,450	4.5%	3,047	3.7%	13,553	5.8%	10,570	4.0%
	<b>75,683</b>	<b>100.0%</b>	<b>83,252</b>	<b>100.0%</b>	<b>232,406</b>	<b>100.0%</b>	<b>261,968</b>	<b>100.0%</b>

**5. (LOSS)/PROFIT BEFORE TAXATION**

(Loss)/profit before taxation has been arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortisation	<b>1,619</b>	1,613	<b>4,780</b>	5,178

**6. INCOME TAX EXPENSE**

The taxation provided represents PRC enterprise income tax, which is calculated at the rates prevailing.

No provision for Hong Kong Profits Tax has been made in the financial statements, as the Group has no assessable profit in Hong Kong for the period.

No provision for deferred taxation has been made in the financial statements, as there were no material timing differences arising during the period and at the balance sheet date.

**7. DIVIDEND**

The Directors do not recommend the payment of any dividend for the Nine-month Period (the Corresponding Previous Period: nil).

**8. (LOSS)/EARNINGS PER SHARE**

The calculation of basic (loss)/earnings per share for the Third Quarter and Nine-month Period is based on the consolidated loss attributable to shareholders of approximately HK\$2,201,000 and the consolidated profit attributable to shareholders of approximately HK\$4,110,000 respectively (consolidated profit attributable to shareholders for three months and nine months ended 30 September 2019: approximately HK\$1,716,000 and HK\$7,261,000 respectively) and on the weighted average number of approximately 704,000,000 and 669,808,000 ordinary shares respectively (2019: 649,846,000 (re-presented) and 649,846,000 (re-presented) ordinary shares respectively) in issue.

No dilutive earnings per share has been presented for the Third Quarter and the Nine-month Period because there are no potential dilutive ordinary share in the respective periods.

Basic earnings per share for three months and nine months ended 30 September 2019 are re-presented to reflect the bonus element of the placing of Shares during the period.



### MANAGEMENT DISCUSSION AND ANALYSIS

#### BUSINESS REVIEW

The Group is engaging in design, manufacture and sale of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronic products, communication products, automobile electronics accessories, wire harness and medical equipment (the “**Electronics Business**”). The Group is one of the leading VGA cables manufacturers in the world. To diversify the Group’s business and seek new exponential growth, the Group is also engaging in master-planning and architectural design business (the “**Architectural Design Business**”) which involves master-planning work, general design work and architectural schematic design work.

#### FINANCIAL REVIEW

##### Revenue

##### *The Electronics Business*

During the Nine-month Period, the outbreak of the COVID-19 pandemic globally has imposed adverse impact on the consumer demand for electronic products globally and the Group’s production capacity and efficiencies in the PRC. The Directors believe that these are the main factors that will affect the Electronics Business of the Group in the future. To the extent manageable, the Group has used its best endeavours to fulfill its committed sales orders, remain in close contacts and liaison with its customers to closely follow up the delivery schedules and upcoming sales orders.

The Electronics Business contributed revenue of approximately HK\$208.7 million to the Group during the Nine-month Period (the Corresponding Previous Period: approximately HK\$218.3 million), representing a decrease of approximately 4.4%.

The Group will continue to assess the impact of COVID-19 on the Group’s business operations and will take appropriate measures as and when necessary.

##### *The Architectural Design Business*

The revenue recognised from this business segment was growing satisfactorily since the introduction of this business in the third quarter of 2017. Due to the outbreak of COVID-19 over the Nine-month Period, some of our design projects in the PRC were suspended and hence adversely affect this business segments. This business segment contributed revenue of approximately HK\$23.7 million during the Nine-month Period (the Corresponding Previous Period: approximately HK\$43.7 million), decreased significantly by approximately 45.8%.

Having considered the unfavourable and uncertain economic situations, the Directors keep a very conservative view as to the results of the Group in the coming quarters and the Company will pay close attention to the market condition and the development of the outbreak of COVID-19.

***Gross profit***

The Group recorded a gross profit of approximately HK\$40.7 million for the Nine-month Period, representing an increase of approximately 3.0% as compared to approximately HK\$39.5 million as recorded in the last corresponding period. The gross profit margin increased from approximately 15.1% for the nine months ended 30 September 2019 to approximately 17.5% for the Nine-month Period as the Group had launched some higher value-added products and actively discussing the sales of such products at a mutually beneficial price and sales volume in order to minimise any possible negative impact on its business under to the outbreak of COVID-19.

**Other Income**

Other income was approximately HK\$2,767,000 for the Nine-month Period (the Corresponding Previous Period: approximately HK\$3,368,000), representing a decrease of approximately 17.8%.

**Selling and Distribution Expenses**

The selling and distribution expenses were approximately HK\$5,536,000 for the Nine-month Period (the Corresponding Previous Period: approximately HK\$7,158,000), which was in line with the decrease in the revenue.

**Administrative Expenses**

The administrative expenses were approximately HK\$31,872,000 for the Nine-month Period (the Corresponding Previous Period: approximately HK\$27,158,000), representing an increase of approximately 17.4% which was mainly caused by the additional costs incurred under the outbreak of COVID-19.

**Financial cost**

The Group did not incur any financial cost for both the Nine-month Period and the Corresponding Previous Period.

**Income tax expenses**

The Group incurred income tax expenses of approximately HK\$2,396,000 during the Nine-month Period (the Corresponding Previous Period: approximately HK\$2,947,000).

**Profit for the period**

The profit attributable to owners of the Company for the Nine-month Period was approximately HK\$4,110,000 (the Corresponding Previous Period: approximately HK\$7,261,000. The decrease of the profit was substantially attributable to the adverse impact of COVID-19.

**Earnings per share**

The basic earnings per share for the Nine-month Period was approximately HK0.61 cents (the Corresponding Previous Period: approximately HK1.12 cents (re-presented)).

**Liquidity and financial resources**

As at 30 September 2020, the Group’s net current assets, cash and bank balances and equity attributable to owners of the Company amounted to approximately HK\$66.0 million, HK\$61.7 million and HK\$141.9 million (31 December 2019: approximately HK\$54.9 million, HK\$79.9 million and HK\$129.7 million) respectively. The current ratio of the Group as at 30 September 2020, expressed as current assets over current liabilities, was maintained at the level of approximately 1.54 (31 December 2019: approximately 1.43). The Group had no interest-bearing debt as at 30 September 2020 (31 December 2019: nil).

**Capital Structure**

On 3 June 2020, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent placed 64,000,000 placing shares at the placing price of HK\$0.1 per placing share to certain independent places. The net proceeds from the aforesaid placing, net of related issued costs and expenses, will be used for general working capital of the Group.

The share capital of the Company was then increased from HK\$6,400,000 to HK\$7,040,000.

Save as mentioned above, the Company did not run any capital exercise during the Nine-month Period.

**DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 30 September 2020, the interests and short position of the directors, the chief executive and their associates in the Shares and underlying Shares of the Company or its associate corporation (within the meaning of Part XV of the Securities and Futures Ordinance Chapter 571 (“SFO”)), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the required standards of dealings by directors of listed issuer as referred to the Rules 5.46 to 5.67 of Chapter 5 of the GEM Listing Rules and Divisions 7 and 8 of Part XV of the SFO, were as follows:

**Ordinary Shares of HK\$0.01 each of the Company**

<b>Name of director</b>	<b>Capacity</b>	<b>Number of Issued Ordinary Shares held</b>	<b>Percentage of Issued share capital of the Company</b>
Wang Li Feng (“Mr. Wang”) (Note)	Interested in controlled corporation	355,620,000(L)	50.51%

(L) denotes long position

Note: The 355,620,000 Shares are held by PT Design Group Holdings Limited which is indirectly wholly-owned by Mr. Wang.

Other than as disclosed above, none of the directors, the chief executive, nor their associates had any interests or short positions in any Shares or underlying Shares of the Company or any of its associated corporations at 30 September 2020.

### **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY**

As at 30 September 2020, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

#### **Ordinary Shares of HK\$0.01 each**

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of Issued Ordinary Shares held</b>	<b>Percentage of Issued share capital of the Company</b>
PT Design Group Holdings Limited	Beneficial owner	355,620,000(L)	50.51%
Mr. Pang Kuo-Shi ("Mr. Pang") (Note)	Interest in a controlled corporation	74,403,000(L)	10.57%
Modern Wealth Assets Limited	Beneficial owner	74,403,000(L)	10.57%

(L) denotes long position

Note: Mr. Pang is deemed to be interested in the 74,403,000 Shares held by Modern Wealth Assets Limited, a company wholly-owned by Mr. Pang.

### **SHARE OPTION SCHEME**

Pursuant to the Company's share option scheme adopted on 13 December 2001 (the "Scheme") for the purpose of providing incentives to Directors and eligible employees, the Company may grant options to executive Directors and fulltime employees of the Group to subscribe for Shares of the Company.

The total number of Shares in respect of which options may be granted under the Scheme is not permitted to exceed 30% of the Shares in issue at any point in time, without prior approval from the Company's shareholders. The number of Shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the Shares in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive Directors or their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

A nominal consideration of HK\$1 is payable on acceptance of the grant of options. Options may be exercised at any time from the thirteenth month from the date of grant to the fifth anniversary of the date of grant. The exercise price is determined by the Directors, and will be at least the highest of (i) the closing price of the Shares on the date of grant, (ii) the average closing price of the Shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the Shares.

No share options were granted under the Scheme since its adoption.

### **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURE**

Save for the Scheme, at no time during the Nine-month Period was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### **SUFFICIENCY OF PUBLIC FLOAT**

The Company had maintained a sufficient public float throughout the Nine-month Period.

### **COMPLIANCE WITH GEM LISTING RULES 5.48 TO 5.67**

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Directors, upon specific enquiry being made, confirm that during the Nine month Period, they have complied with the required standards of dealings and the Company's code of conduct regarding directors' securities transactions.

## INTERESTS IN COMPETITORS

During the Nine-month Period, the following Directors had interests in the following business which were considered to compete or likely to compete, either directly or indirectly, with the business of the Group (other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group):

Name of Director and former directors of the Company	Name of entity which were considered to compete or likely to compete with the business of the Group	Description of competing business	Nature of interests
Mr. Wang	Australia PT Design Consultants Limited (“PT Consultants”)	Provision of architectural design service (other than technical and documentation work)	Directly holding 27.6% interest in PT Consultants and a director
	PT Architectural Design (Shenzhen) Company Limited (“PT Shenzhen”)	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 27.6% interest in PT Shenzhen through PT Consultants and a director
	Shanghai PT Architecture Design & Consultant Co., Ltd (“Shanghai PT”)	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 17.0% interest in Shanghai PT and a director
Mr. Kong Lixing (Resigned on 5 December 2019)	PT Shenzhen	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 22.0% interest through PT Consultants and a director
	Shanghai PT	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 17.0% interest in Shanghai PT and a director
	PT Consultants	Provision of architectural design service (other than technical and documentation work)	A director and directly holding 22.0% interest in PT Consultants

<b>Name of Director and former directors of the Company</b>	<b>Name of entity which were considered to compete or likely to compete with the business of the Group</b>	<b>Description of competing business</b>	<b>Nature of interests</b>
Mr. Zhao Guo Xing (Resigned on 5 December 2019)	PT Consultants	Provision of architectural design service (other than technical and documentation work)	Directly holding 13.6% interest in PT Consultants
	PT Shenzhen	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 13.6% interest through PT Consultants and a director and general manager
Mr. He Yongyi (Resigned on 5 December 2019)	Shanghai PT	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 17.0% interest in Shanghai PT and a director

As (i) each of the above Directors is fully aware of their fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; (ii) the architectural design service will be first undertaken by the Group as general design contractor, unless otherwise requested by independent developers; (iii) unless otherwise requested by independent developers, all master-planning work shall be first subcontracted to the Group; (iv) the Group have the first right of refusal on accepting the architectural schematic design work unless it is specifically requested by the independent developers that such work shall be performed by PT Consultants or PT Shenzhen; and (v) each of Mr. Wang, Mr. Kong Lixing and Mr. He Yongyi has not involved in the day-to-day management and operation of Shanghai PT, the Group is capable of carrying its business independently of and at arm's length from the businesses of these entities.

Save as disclosed above, during the Nine-month Period, none of the Directors or the controlling Shareholders or their respective close associates had an interest in a business, which competes or may compete with the business of the Group.

### **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the Nine-month Period.

## **DIVIDENDS**

The Directors do not recommend the payment of any dividend for the Nine-month Period.

## **CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS**

With regard to connected transactions and directors' interests in contracts:

- (i) there were no transactions, which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules; and
- (ii) no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the Nine-month Period.

## **CORPORATE GOVERNANCE**

The Company complied throughout the Nine-month Period with the code provisions in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Period.

The Company has received, from each of the independent non-executive Directors, a confirmation on his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.



**AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) comprises three members, namely, Dr. Fong Chi Wai, Alex, Dr. Yan Ka Shing and Dr. Feng Shen who are all independent non-executive Directors. Dr. Yan Ka Shing serves as the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting and internal control procedures of the Company. The third quarterly results for the nine months ended 30 September 2020 presented herein has not been audited but has been reviewed by the Audit Committee.

On behalf of the Board  
**GLORY MARK HI-TECH (HOLDINGS) LIMITED**  
**Wang Li Feng**  
*Chairman*

Hong Kong, 13 November 2020

*As at the date of this report, the executive Directors are Mr. Wang Li Feng, Mr. Yu Sanlong, Mr. Fan Xiaoling and Ms. Lee Jui-lan; and the independent non-executive Directors are Dr. Fong Chi Wai, Alex, Dr. Yan Ka Shing and Dr. Feng Shen.*

*This report will remain on the “Latest Listed Company Information” page of the GEM website for at least seven days from the date of publication and on the Company’s website at [www.glorymark.com.tw/hk/investor.htm](http://www.glorymark.com.tw/hk/investor.htm).*

*In the case of inconsistency, the English text of this report shall prevail over the Chinese text.*